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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

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PLEASE PASS J. ZEROLIS/LOS DELEGATION

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TAGS: PFOR, XC, US

SUBJECT: AUGUST 9 EA PRESS SUMMARY

1. JAPAN

SEN MANSFIELD REPORT TO SFRC ON RECENT VISIT JAPAN ISSUED
SUNDAY. RECOMMENDS JAPAN BE GIVEN PERMANENT SEAT UNSC.
SAID JAPAN ONLY MAJOR NATION TO REJECT MIL POWER, THUS
CAN PLAY UNIQUE LEADERSHIP ROLE IN WORLD ISSUES OF
ENVIRONMENT, RESOURCES, ENERGY, FOOD, POPULATION (WSTAR
8/8).

MIKI SAID MON IN NAGASAKI, AFTER CEREMONY MARKING 31ST
ANNIVERSARY A-BOMB, "WILL NOT ABANDON MY RESPONSIBILITIES"
RESOLVE LOCKHEED SCANDAL, LAY FOUNDATION FOR REGENERATION
OF LDP (REUTER, NAGASAKI).

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SIX-MAN KEIDANREN MISSION LEFT TOKYO FOR MOSCOW SUNDAY, TO DISCUSS FUTURE JAPAN-SOV ECON COOPERATION (AFP, WP). FIVE-MAN FOOD AGENCY MISSION TO US, CANADA, SCHEDULED MEET BUTZ WASHINGTON AUG 13 (CULLISON, JOC).

NYT SPEC (BRUSSELS) REVIEWS EC EFFORTS COUNTER RECENT MASSIVE SURGE JAPANESE IMPORTS. SAYS EC HOPES EUR

AUTOMAKERS WILL BE FIRST BENEFICIARY RECENT TRADE NEGOTIATIONS WITH JAPAN.

SAIPAN SERVICE SCHEDULED AUG 15 IN MEMORY 12,000 OKINAWANS WHO DIED THERE DURING WW II. MANY MADE SUICIDE LEAP OFF "BANZAI CLIFF" BEFORE ISLAND FELL TO US FORCES JULY 7, 1944 (AFP, WP).

SEN VOTED 58-30 FRIDAY ALLOW BUSINESSMEN CONTINUE TAKE INCOME TAX DEDUCTIONS FOR ATTENDING CONVENTIONS ABROAD. SEN INOUE ARGUED INCLUSION RESTRICTION ON SUCH DEDUCTIONS IN PENDING TAX BILL MIGHT TEMPT FOREIGN COUNTRIES, LIKE JAPAN, RETALIATE BY RESTRICTING TRAVEL OWN NATIONALS TO US (REUTER, WASHINGTON).

2. JAPAN/CHINA

JAPAN BEAT DEFENDING LL WORLD CHAMP TAIWAN 10-3 SATURDAY AT AGANA, GUAM. ADVANCES TO LL WORLD SERIES THAT BEGINS AUG 24 AT WILLIAMSPORT, PA (UPI, NYDN).

3. CHINA

IN INTERVIEW PUBLISHED 8/6, REAGAN STATED TOO MANY US PRESIDENTS VISITED MOSCOW/PEKING TOO OFTEN, BELIEVES TIME SOME USSR/PRC LEADERS COME HERE. CANDIDATE ALSO CHARGED US FOPOL HAD FALLEN INTO DISARRAY; CLAIMED HAS HEARD NO REFUTATION "COMMON TALK" THAT AFTER ELECTIONS, US WILL ABANDON TAIWAN, "POSSIBLY SK" (REUTER 8/6).

KYODO REPORTS STRONG EARTH TREMOR, REGISTERING 5 ON RICHTER SCALE, HIT PEKING EARLY 8/6. NO CAS-
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UALITIES/DAMAGE CITED; NO ANNOUNCEMENT FROM CHINESE (AP, SUN; WP). REUTER (8/7) REPORTED PEKING'S MILLIONS CAMP-ING OUT IN TORRENTIAL RAIN; SOME STREETS UNDER FT WATER.

US DCM DEAN SAYS "PERCEPTIBLE AIR OF RELAXATION" AMONG PEKING RESIDENTS; CHINESE FEEL MORE CONFIDENT QUAKE NOT IMMINENT. LIFE BEGINNING RETURN NORMAL AFTER 10-DAY QUAKE ALERT. NCNA REPORTED PEKING-MANCHURIA MAIN RAILWAY

REOPENED SAT EVE; FIRST TRAIN CARRYING RELIEF SUPPLIES INTO TANGSHAN WELCOMED BY CROWD OF 2,000 (PHINQ).

HSINHUA SAYS SUFFICIENT SUPPLIES FOOD/OTHER DAILY NEEDS FLOWING INTO PEKING; RESIDENTS ABLE BUY GOODS AT NEW STREET MARKETS, EVEN GET HAIRCUTS FROM ROVING BARBERS. BROADCAST ALSO STATED WITHIN 3 DAYS OF QUAKES, NEARLY 4,000 DOCTORS/NURSES/MEDICAL WORKERS RUSHED TO

HARDEST-HIT AREAS FROM NEIGHBORING LIAONING PROV, SHANGHAI (AP, NYT 8/8; WSTAR 8/8).

PROVINCIAL RADIO BROADCASTS INDICATE SPECIALISTS IN PREVENTING/COMBATING EPIDEMIC DISEASES BEING RUSHED TO TANGSHAN AREA. AMONG PROBLEMS ARE IMPURE WATER, DISRUPTION SEWAGE DISPOSAL, EXPOSURE OF HOMELESS TO HOT/WET WEATHER. IN PEKING, POSTERS URGE CITIZENS MAINTAIN PUBLIC HYGIENE, BE ON LOOKOUT FOR FLU/GASTRO-INTESTINAL ILLNESSES (MUNRO, NYT 8/7).

PM MINTOFF SAYS TOTAL 400 CHINESE WORKING IN MALTESE INDUSTRIES UNDER 1972 AGREEMENT. EACH CHINESE TEACHING MALTESE WORKER TAKE HIS PLACE (AFP, WP).

WANG JEN-YUAN, WHO WAS RELIEVED OF POST AS ROC'S JUSTICE MIN, CLEARED OF ACCUSATIONS CORRUPTION BY INVESTIGATORY CMTE OF ROC LEGISLATURE. WANG IS MEMBER CENTRAL STANDING CMTE RULING KUOMINTANG, INFLUENTIAL POL ADVISOR TO CCK (NYT 8/7. 8/8).

4. INDOCHINA/THAILAND

VN, RTG AGREE ESTABLISH DIPL RELS. FOR VN MARKS
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POSSIBLE BEGINNING CLOSER RELATIONSHIP WITH WEST; RTG LEADERS HOPE FOR TEMPORARY GUARANTEE HANOI WOULD NOT SUPPORT THAI COMMUNIST INSURGENTS. THAI MIL REPORTEDLY DISSATISFIED WITH WAY DISCUSSIONS WITH VN, LAOS HANDLED, TAKEN BY SURPRISE BY DECISION FONMIN GO VIENTIANE, HANOI. ACCORD GAVE NEITHER SIDE EVERYTHING WANTED, BUT MAY PROVE MORE DAMAGING TO RTG WITH DELICATELY-POISED COALITION GOVT. AGREEMENT CONTAINED PERMISSION THAI AIRLINES OVERFLY INDOCHINA EN ROUTE HK, PHILS; THIS EXPECTED OPEN DOOR TO MANY OTHER AIRLINES TO SAVE TIME, FUEL ON BANGKOK-HK RUN. OTHER PROVISIONS ARE ESTABLISHMENT JOINT CMTE TO CONSIDER REPATRIATION VIET REFUGEES, RELEASE THAI FISHERMEN, VISIT VN TRADE DELEGATION TO BANGKOK TO DISCUSS COMMERCIAL LINKS, CONSIDERATION OF RTG RETURN US PLANES FLOWN BY ESCAPING REFUGEES.

JOINT COMMUNIQUE MAKES NO MENTION PREVIOUS DEMAND THAT THAI MILITARY INSISTED UPON-THAT HANOI GUARANTEE WOULD PROVIDE NO MIL AID, ADVICE TO COMMUNIST INSURGENTS (ANDELMAN, NYT 8/7; ABRIDGED IN SUN, WSTAR).

EADS (WP 8/7) REVIEWS HANOI-BANGKOK COMMUNIQUE, SEES PRINCIPLES SIMILAR TO THOSE WHEN VN-PHILS ESTABLISHED RELS. NOTES COMMUNIQUE PROMISES ECON, CULTURAL EXCHANGES, REGIONAL COOPERATION, SETTLEMENT DISPUTES THRU NEGOTIATIONS. THINKS VN IN EFFECT PREPARED CONSIDER SVN WARPLANES AS DEAD ISSUE. CONSIDERS VN ASSURANCES THAT WILL NOT EXPORT

REVOLUTION, EFFORT INCREASE TRADE, AID CONTACTS AS ATTEMPT REDUCE RELIANCE ON USSR. EADS ADDS RTG RELS WITH LAOS COULD YET PROVIDE DIFFICULTIES SINCE THAI CABINET REJECTED FONMIN'S PROPOSAL REOPEN NUMBER CROSSING POINTS ON MEKONG BORDER. POINTS OUT ISSUE IS CRUCIAL FOR LAOS.

RICHARD HUGHES LEAVES SAIGON. HEADED ORGANIZATION THAT HELPED SHOESHINE BOYS (AP 8/8 SUN, NYT). ANDELMAN (NYT) QUOTES HUGHES THAT NEW REGIME PROVIDES FOR STREET CHILDREN BY LOCATING RELATIVES, GIVING WORK, EDUCATION, FOOD, LODGING. EADS (WP) REPORTS HUGHES HAS HARSH CRITICISM FOR CHARITY GROUPS THAT "RAN OUT" BEFORE COMMUNIST TAKEOVER. NOTES HUGHES SAID CHARITABLE GROUP UNCLASSIFIED

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USED STREET BOYS COLLECT INTELLIGENCE FOR US; GUESSES GROUP IS WORLD VISION. SAYS OTHER AMCITS STILL IN VN.

MARDER (WP 8/8) STATES EX-CIA MAN TUCKER GOUGELMANN STILL HELD IN VN, AS ARE 2 OTHER AMCITS, 20 CHILDREN OF AMERICANS. GIVES GOUGELMANN BIODATA. QUOTES DOS THAT AS ACT RECIPROCITY RECENT RELEASE AMCITS, LICENSES AUTHORIZED FOR ADDITIONAL 850,000 DOLS AID BE SENT VN BY VOLAGS. NOTES AP REPORTS SAYS 56 FILS STRANDED IN SAIGON WOULD FLY TO MANILA. ADDS 33 VIET REFUGEES PICKED UP BY DUTCH TANKER PERMITTED LAND JAPAN FOR UP TO 30 DAYS.

RADIO HANOI INTRODUCES WRITE-IN CONTEST CALLED "WHAT DO YOU KNOW ABOUT VIETNAM." ASKS QUESTIONS LIKE HOW MANY TONS BOMBS US DROPPED, DATES SAIGON'S LIBERATION, US OBLIGATION IN POSTWAR PERIOD (UPI, CHITRIB). VN BEGINS WATER-CONSERVATION DRIVE TO FIGHT EFFECTS LONG DRY SPELL (REUTER, NYT 8/8).

IENG SARY VISITS PEKING, EN ROUTE COLOMBO NON-ALIGNED CONFERENCE, SEES PM HUA (AFP, NYT 8/8).

AT LEAST 26 DROWN WHEN FERRYBOAT WITH 300 ABOARD
CAPSIZES OFF S THAILAND. TEN FOREIGNERS ABOARD RESCUED
UNHURT (REUTER NYT, PHINQ).

5. AUSTRALIA/NEW ZEALAND

FORD MOTORS PLANS INVEST US 86 MILLION DOLS TO DESIGN/
BUILD NEW CAR FOR AUSSIE MARKET. SEEN CHALLENGING LONG-
STANDING GMC SUPREMACY, AND IMPORTED JAPANESE CARS
(STOWE, JOC).

AUSSIE BEEF PRODUCERS SAID ANGRY ABOUT USDA MOVES RESTRICT
IMPORTS OF FOREIGN MEAT PROCESSED THROUGH PUERTO RICO.
4.25 MILLION DOLS WORTH MEAT SHIPPED TO US VIA PR
SO FAR THIS YEAR (STOWE, SYDNEY JOC).

REUTER (WELLINGTON) BACKGROUNDS FRESH SENSITIVITY TO
RACIAL ISSUES STIRRED IN NZ BY INFLUX MIGRANTS, MOSTLY
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FROM PACIFIC ISLANDS.

6. INDONESIA

GOI/PETROMER TREND CORP SEEN BACKING AWAY FROM CONFRONTATION
OVER SUHARTO DEMAND FOR BIGGER SHARE OIL REVENUE. UNDER
COMPROMISE BELIEVED IN WORKS FIRM SEEN WILLING MEET
INDO DEMANDS "FOR TIME BEING", WITH FAVORABLE RE-
ASSESSMENT AFTER ELECTION NEXT YEAR (MCDONALD, WP).

NAOMAS AGREED TO 85-PCT PRODUCTION-SHARE FOR GOI.UNION
OIL, ATLANTIC RICHFIELD AGREED BOOST SHARE TO 85-PCT
LAST WK (WSJ).

COMMENT AND ANALYSIS

7. JAPAN

ACCORDING BEECH (CDN 8/4) JCP PUT FINISHING TOUCHES
ON EVOLUTIONARY -- RATHER THAN REVOLUTIONARY --
IMAGE IN SPECIAL CONVENTION WEEK AGO. VOTED SUBSTITUTE
PARLIAMENTARY DEMOCRACY FOR VIOLENT REVOLUTION, PROMISE
PERMIT MULTIPARTY SYSTEM IF GAIN POWER. THUS MOVE
CLOSER FRENCH, ITALIAN, SPANISH PARTIES WITH WHICH
RECENTLY EXCHANGED VISITS. HAVE BEEN INDEPENDENT OF CCP
SINCE 1965; CPSU EVEN EARLIER. NOTES SMILING FACE
PAID OFF 1972 WHEN JCP POLLED OVER 5 MILLION VOTES
(11 PCT), BUT OBSERVERS SEE LITTLE PROSPECT WILL EMULATE
ITALIANS IN FORTHCOMING ELECTION.

JAMESON (LAT 8/5) REVIEWS RISING TENSIONS IN LDP FOLLOWING TANAKA ARREST, SAYS 95-MEMBER TANAKA FACTION DEMAND MIKI OUSTER. NOTES MEETING OF 57 LDP DIETMEN TUESDAY TO DISCUSS IMPLICATIONS ALMOST ENDED IN FISTFIGHT WHEN TETSUO KONDO SAID TANAKA ARREST SPURRED "FAVORABLE PUBLIC REACTION" -- TANAKA-FOLLOWER RYUTARO HASHIMOTO RUSHED TOWARD HIM, BRANDISHING FISTS, BUT OTHERS KEPT TWO MEN APART.

MALCOLM (NYT 8/7) REPORTS IMPRESSIONS OF VISIT TO NISHIYAMA, HOME TOWN TO WHICH TANAKA CAN NOT RETURN
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NOW BECAUSE HE IS IN JAIL. FINDS LOCAL PEOPLE WOULD

RATHER NOT TALK ABOUT ARREST OF NATIVE SON. WHEN PRESSED, SAY ARREST IS TRAGEDY, EXPRESS SORROW FOR TANAKA'S 84-YR OLD MOTHER.

SAFIRE (NYT) PERCEIVES SECOND THOUGHTS IN JAPAN FOLLOWING INITIAL ELATION AT TANAKA ARREST -- ROOTED IN FACT "EVERYBODY DID IT" IN JAPAN SINCE WAR AND CONCERN TANAKA, IF CONVICTED, "MIGHT BLOW THE WHISTLE" ON JUST ABOUT EVERYONE OF IMPORTANCE IN POLITICS/BUSINESS. TO OVERCOME PUBLIC UNEASINESS BELIEVES LINE WILL BE PROPAGATED THAT SCANDAL CAUSED BY UPPITY SECOND-RATERS. WILL SAY TANAKA WAS HUSTLER FROM WRONG SIDE OF TRACKS, WHOSE MAIN BUSINESS ALLY NOT IN FRONT RANK OF TRADING ELITE, AND "FUNNY MONEY" CAME FROM HARD-PRESSED LOCKHEED SCRAMBLING KEEP AHEAD OF BOEING, MACD-D. WHATEVER REFORMS ANNOUNCED, CONCLUDES ENTIRE SYSTEM JAPAN, INC, BY VERY NATURE CANNOT BE ANYTHING BUT CORRUPT. URGES AMERICANS BEAR THIS EXAMPLE IN MIND WHEN POLITICIANS CALL FOR BUSINESS/GOVT "PARTNERSHIP" AND CARTERITES SEEK OUTLAW BUSINESS CYCLE IN US BY ADOPTING HHH VISION OF NATL ECON PLANNING BOARD.

MALCOLM (NYT) TELLS HOW US AUTO DRIVER/OWNERS, TELEVIEWERS HELPED PULL JAPAN OUT OF 2-YR LONG WORST POST-WAR RECESSION, AS AUTO/COLOR TV LED FIRST-HALF EXPORT SURGE AT ANNUAL 17.5 PCT RATE OF INCREASE. NOTES SOME ANALYSTS REMAIN CONCERNED ABOUT LAGGING CAPITAL INVESTMENT, RISING WHOLESALE PRICES, NUMEROUS BANKRUPTCIES, POLITICAL UNCERTAINTY POSED BY LOCKHEED SCANDAL.

8. KOREA

SEN MANSFIELD REPORT TO SFRC ON RECENT TRIP ASIA ISSUED

SATURDAY. LABELS KOREA "TIME BOMB YET TO BE DEFUSED", BUT SEES "NO PERVASIVE REASON" BELIEVE WAR "IMMINENT." NOTES SK ECON PROGRESS "PROBABLY" IS MAINSTAY "PUBLIC ACQUIESCENCE" IN PRESENT GOVT, BUT RESTS ON "EXTREMELY FRAGILE BASIS" SINCE HIGHLY DEPENDENT ON TRADE WITH UNCLASSIFIED

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US, JAPAN, AND ECON TREMORS IN EITHER BECOME EARTHQUAKES IN SK (NYT SPEC, WASHINGTON).

MILW JOURNAL (7/28) SUPPORTS HAK CALL FOR MULTI-LATERAL CONFERENCE HEAL POLITICAL DIVISION OF KOREA. BELIEVES PARK/KIM WOULD WEIGH ADVANTAGES COLDLY, BUT THIS WOULD NOT PRECLUDE SUCCESS. RECALLS HOW NK/SK AGREED INITIATE REUNIFICATION TALKS 4 YRS AGO WHEN US/PRC MADE INITIAL RECONCILIATION. STATES WOULD NOW BE IN NEARLY EVERYONE'S INTEREST IF US/CHINA WERE TO INDUCE RENEWED INTEREST IN TALKS, THUS REDUCE POTENTIAL DANGER OF CONFLICT IN THIS AREA.

9. PHILIPPINES

WIDEMAN (WP 8/8) INTERVIEWS IMELDA, DESCRIBES HER AS STRUGGLING HARD TO BRING ORDER TO MANILA CHAOS. CALLS HER FRANK, FIRM, ALL BUSINESS. QUOTES HER THAT AMB SULLIVAN IS GREAT DIPLOMAT, BUT "ONLY KNOWS HOW TO DEAL WITH ENEMIES," NOT WITH FRIENDS. MENTIONS IMELDA DEMOLISHED SHANTIES OF 30,000 PEOPLE, SENT THEM TO RELOCATION SITES; MOST COULDN'T FIND WORK, SO CAME BACK, SET UP NEW SHANTIES.

LOUISVILLE C-J OPINES REOPENING VN-PHILS DIPL RELS IS FURTHER INDICATION REGION'S COUNTRIES MAKING READJUSTMENT TO COMMUNIST TAKEOVER VN. NOES MARCOS NOT UNDULY EAGER PUSH US OUT OF BASES, WHILE CLOSER THAILAND HAS FELT COMPELLED DRIVE US OUT. BELIEVES BIGGEST ARGUMENT ON BASES WILL COME OVER MONEY, SINCE US PAYS NO RENT. SAYS MARCOS DICTATORSHIP MAKES PHILS EMBARRASSING ALLY. RECOMMENDS COOLER RELATIONSHIP WITH MANILA, LESS VISIBLE US PRESENCE.

10. CHINA

ARMBRUSTER (CSM) INTERVIEWS ROC VICE FONMIN YANG IN TAIPEI. YANG CLAIMS TAIWAN'S RELATIONSHIP W/US "VITAL" TO ISLAND'S NATL EXISTENCE; SAYS ANY OTHER ARRANGEMENT THAN PRESENT ONE WOULD INDICATE "LACK OF CONFIDENCE IN THE US AND OURSELVES." ALSO IMPLIED "DE-RECOGNITION" TAIWAN WOULD HAVE UNFAVORABLE REPURCUSSIONS FOR US AMONG CHINESE IN SEA; CLAIMED TAIWAN WOULD NEVER DECLARE INDE- UNCLASSIFIED

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PENDENCE FROM MAINLAND; DENIED RUMORED PLANS FOR SOVIET NAVAL BASE ON ISLAND.

NYT EDIT REVIEWS US' RECENT PRC POLICY, NOTES CHINESE EXPECTING NEGOTIATE TERMS FOR FULL DIP RECOGNITION AFTER ELECTIONS. SEES "NO MAJOR PROBLEM" IN ADOPTING JAPANESE FORMULA. STATES DEFENSE TREATY CANNOT BE ABROGATED UNLESS PEKING REFRAINS FROM OPEN THREATS OF FORCE, TACITLY ACCEPTS "VIABLE SUBSTITUTE ARRANGEMENTS.- BELIEVES IN ORDER NORMALIZE RELS, IS IN PEKING'S INTEREST ACCEPT TAIWAN STABILIZATION, "SHORED UP BY AMERICAN TIES."

IN PIECE ON US ARMS SALES, NYT'S GELB (8/8) RESTATES ADMIN'S "SELF-SUFFICIENCY" DEFENSE GOAL FOR TAIWAN. STATES GOAL WOULD BE EASIER ACCOMPLISH IF FUTURE ADMIN DECIDES ABROGATE DEFENSE TREATY, BUT SUCH COURSE COULD CAUSE PEKING BELIEVE US TRYING PROMOTE PERMANENT POL SEPARATION, WHICH IN TURN COULD BADLY DAMAGE PRC-US RELS.

ASST PROF BERNSTEIN, FROM COLUMBIA UNIV EA INST, REPLIES TO REAGAN'S OP-ED ITEM ON CHINA (NYT 7/28). CLAIMS CANDIDATE IN ERROR TO ASSUME PRC WANTS EXPANDED RELATIONSHIP W/US EVEN W/O CHANGE IN TAIWAN STATUS. TERMS RECOGNITION ROC SYMBOL US' "CONTINUED INTERFERENCE IN THE CHINESE CIVIL WAR." STATES IF WITHDRAWAL RECOGNITION FROM TAIPEI IN FAVOR PEKING REALLY IMPORTANT, SHOULD BE POSSIBLE SECURE IN EXCHANGE FOR IMPLICIT GUARANTEES FOR TAIWAN'S CONTINUED AUTONOMY. ADDS ANY FAILURE MAKE GOOD ON SHANGHAI COMMUNIQUE CAN ONLY STRENGTHEN HANDS OF THOSE PRC LEADERS WHO VIEW OUTSIDE WORLD "WITH XENOPHOBIC DISTRUST" (NYT).

SUN (8/7) PRINTS SIDE-BY-SIDE EXCERPTS FROM ITEMS PUBLISHED EARLIER THIS YR BY FORMER ASST SEC HUGHES (IN LAST FEB'S EDITION "NEW REPUBLIC), NYU INTL RELS PROF TRAGER (IN WSJ, CARRIED IN EA PRESS SUMMARY 7/23). HUGHES ARGUES FOR PEKING RECOGNITION, CITES NUMEROUS COUNTRIES WHICH HAVE ALREADY DONE SO. CLAIMS US "COUNTER-IMPLEMENTED SHANGHAI COMMUNIQUE BY BUILDING UP RATHER THAN REDUCING POLITICAL INVESTMENT IN TAIWAN. BELIEVES TAIWAN BRACED FOR "INEVITABLE"; NOTES THEY ENDURED "SHOCKS" OF HAK'S UNCLASSIFIED

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SECRET TRIP, NIXON VISIT, COMMUNIQUE, USLO OPENING, CONGRESSIONAL REPEAL FORMOSA RESOLUTION. ADVOCATES JAPANESE FORMULA TO BURY EMOTIONAL LANGUAGE OF "SACRI-

FICING" OR "ABANDONING" TAIWAN. OPINES PEKING RECOGNITION NOT QUESTION OF "SURRENDERING" TAIWAN, BUT OF REMOVING "ANACHRONISTIC HANGOVER" FROM DEBACLE WHICH HAS OBSTRUCTED US FOPOL FOR GENERATION.

NYT (8/8) PRINTS LETTER FROM CANADIAN PUBLIC AFFAIRS CONSUL MASSE WHO COMMENTS ON NYT 7/25 SULZBERGER COLUMN WHICH SAID TRUDEAU'S OLYMPIC ACTION TAKEN FOR "HUCKSTER REASONS." MASSE REAFFIRMS GOC POSITION ON NOT ADMITTING ROC ATHLETES; NOTES EARLY AS JAN 1976, TAIWAN BOXERS REFUSED ENTRY IN PRE-OLYMPIC TOURNAMENT BECAUSE THEY WOULD NOT DROP CLAIM OF 'REPRESENTING CHINA,' THUS IOC COULD NOT CLAIM IT WAS TAKEN BY SURPRISE. ALSO DISCOUNTS ECONOMIC MOTIVE, STATING WHEAT SALES TO PRC AMOUNTED TO LESS THAN ONE-SIXTH TOTAL CANADIAN WHEAT EXPORT. ADDS IF MONETARY GAIN CANADA'S SOLE CONCERN, GOVT WOULD HAVE TAKEN OPPOSITE POSITION GIVEN STAND TAKEN BY US, THAT IS "BY FAR" CANADA'S LARGEST TRADING PARTNER.

11. LOS

GLOBE (8/7) SEES NEGOTIATORS LIKE POEPL IN OVERCROWDED LIFEBOAT - SO BUSY ELBOWING FOR SPACE THAT DON'T SEE REEF AHEAD. BUT BELIEVES NOT GOOD IDEA ADOPT MAKE-OR-BREAK ATTITUDE TOWARD SESSION SINCE SO MUCH AT STAKE.

WSJ BELIEVES IF CONFERENCE FAILS COME UP WITH AGREEMENTS ON MAJOR POINTS, CAN BE WORKED OUT BILATERALLY. SEES CONSENSUS EMERGING ON SOME QUESTIONS, SUCH AS 200-MI ECON ZONES, DEMANDS BY LANDLOCKED STATES. THINKS BIG ISSUE IS UNDERSEA MINING; CONSIDERS REASONABLE ANSWER WOULD BE FOR NATIONS WITH TECHNOLOGY, WILLINGNESS TAKE RISKS, TO DO MINING. OPINES HIGH-SOUNDING UN INTENTIONS EXPLOIT SEABED FRO "MANKING" IS LIKE MOST UN FORMULAS: POT OF GOLD FOR INTL BUREAUCRATS.

THOMPSON (SUN) REVIEWS SEABED ISSUE. BELIEVES SIMPLIST SOLUTION SET UP COUNCIL PERHAPS 30 NATIONS, SELECTED ON GEO-UNCLASSIFIED

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GRAPHICAL BASIS FOR CONTROL, WITH 4/5 MAJORITY NEEDED FOR DECISION. SEES BASIC DIFFICULTY THAT TECHNOLOGY FOR EXPLOITING SEABED IN HANDS RICH NATIONS WHO UNWILLING GIVE UP MONOPOLY, DEMAND RETURN ON INVESTMENT.

13. GENERAL

PHINQ AUPPORTS "GOOD IDEA" LURKING IN ADMIN BILL CALLING FOR DISCLOSURE OF FOREIGN PAYMENTS -- "SO FAR, SO GOOD."BUT HAS DOUBTS WHETHER DEPT COMM, WITH "TRADITIONALLY BENIGN"

ATTITUDE TOWARD BUSINESS, IS BEST AGENCY RECEIVE/SUPERVISE
DISCLOSURES. DECLARES DISCLOSURES, TO BE EFFECTIVE, MUST
BE MADE PUBLIC, BUT ADMIN BILL WOULD ALLOW REMAIN CONFIDENTIAL FOR YEAR; WOULD THEN ALLOW SECSTATE BLOCK DISCLOSURE IF DEEMS HARMFUL TO NATL INTEREST. STATES DOS REVEALED "CONGENITAL SECRETIVENESS" IN KEEPING LID ON LOCKHEED BRIBES IN ITALY, JAPAN, ELSEWHERE. HABIB

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